DIV. OF OIL, GAS & MINING

Michael O. Leavitt Governor David T. Terry Director TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500 Salt Lake City, Utah 84102-2818 801-538-5100 801-355-0922 (Fax) http://www.trustlands.com

May 4, 2001

CERTIFIED MAIL 7106 4575 1292 2027 7500

William Bown 842 West 400 No. West Bountiful, UT 84087

RE:

ML 45410-BSLS

DOGM # S/003/017

T11N, R6W, SLB&M

Section 36: W2SE4

Dear Mr. Bown,

Please be advised that the Director cancelled the above numbered mineral lease on December 13, 2001. All pits, cuts, trenches and other mining disturbances in the lands were inflicted without notification to the School and Trust Lands Administration and in violation of the terms and conditions of mineral lease ML 45410 BSLS. Unauthorized entry and mining of state trust land is a trespass violation pursuant to Section 53C-2-301 of the Utah Code and is punishable as a Class B Misdemeanor.

The School and Institutional Trust Lands Administration requires that Lessee immediately reclaim all mining disturbances in the above described lands within ML 45410-BSLS. Lessee is required to fill-in, level and mulch all pits, cuts trenches and other mining disturbances in the lands within the next thirty days. The disturbed areas must be reseeded by Lessee in the fall, 2001, using a suitable seed mixture approved by the BLM as the surface land owner, or the Division of Oil, Gas & Mining.

Failure of Lessee to comply with this request for reclamation of the lands within ML 45410-BSLS may result in other actions by the School and Institutional Trust Lands Administration to seek compensatory and punitive damages. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake

Mineral Resources Specialist

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CC: Lynn Kunzler

Mike Nelson